SENATE FILE 2444
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3142)

(As Amended and Passed by the Senate March 9, 2026)

_____ = New Language by the Senate

A BILL FOR

An Act creating regulations for cigar bars, modifying the smokefree air Act, and including effective date provisions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 142D.1, subsection 3, Code 2026, is amended to read as follows:

3. The purpose of this chapter is to reduce the level of exposure by the general public and employees to environmental tobacco smoke in order to improve the public health of Iowans, while allowing for limited exceptions.

Sec. 2. Section 142D.2, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. *"Cigar bar"* means the same as defined in section 453F.1.

Sec. 3. Section 142D.4, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 12. Cigar bars.

Sec. 4. NEW SECTION. **453F.1 Definitions.**

As used in this chapter, unless the context otherwise requires:

1. *"Alcoholic beverage"* means the same as defined in section 123.3.

2. *"Cigar bar"* means a retail establishment that meets all of the following criteria:

a. Generates at least thirty-five percent of annual gross revenues from the retail sale of premium cigars and cigar-related products at the place of business, excluding delivery sales, alcoholic beverages, and food.

b. Holds a class "C" or special class "C" retail alcohol license pursuant to chapter 123.

c. Holds a retailer permit pursuant to section 453A.47A.

d. Prohibits the entry of persons under the age of twenty-one years.

e. Maintains a walk-in humidor or a humidor with a capacity of storing at least one hundred fifty cigars at the place of business for the retail sale of cigars.

f. Clearly and conspicuously posts at every entrance a declaration that smoking is permitted on the premises of the place of business and persons under the age of twenty-one years

are prohibited from entry.

g. Does not allow the smoking of any other product other than premium cigars.

h. Sells only premium cigars and no other types of cigars.

i. Does not prepare food for consumption on the premises of the place of business.

3. *"Delivery sale"* means any sale of a premium cigar to a purchaser in this state where the purchaser submits the order for such sale by means of a telephonic or other method of voice transmission, mail or any other delivery service, or the internet or other online service and the premium cigar is delivered by use of mail or a delivery service. *"Delivery sale"* does not include a sale to a distributor or business.

4. *"Department"* means the department of revenue.

5. *"Director"* means the director of revenue.

6. *"Place of business"* means any place where premium cigars or cigar-related products are sold, stored, or kept for the purpose of sale or consumption; or for a business within the state that conducts delivery sales, any place where premium cigars and cigar-related products are sold or are kept for the purpose of sale, including delivery sales within the state.

7. *"Premium cigar"* means a cigar that is all of the following:

a. Wrapped in whole leaf tobacco.

b. Contains a one hundred percent leaf tobacco binder.

c. Made by manually combining the wrapper, filler, and binder.

d. Contains no filter tip or nontobacco mouthpiece and is capped by hand.

e. Weighs more than six pounds per one thousand units.

8. *"Retail establishment"* means a place of business where premium cigars and other cigar-related products are sold directly or through delivery sales to consumers.

Sec. 5. NEW SECTION. **453F.2 Cigar bars — verification of income — exemption under smokefree air Act.**

1. A cigar bar shall annually submit a certified financial statement to the department verifying that at least thirty-five percent of the annual gross revenues are generated from the retail sale of premium cigars and cigar-related products at the place of business.

2. When the qualification as a cigar bar under this chapter is not met, the department shall mail a notice stating the qualification as an exempt area under chapter 142D ceases seven days after the date of the notice.

Sec. 6. NEW SECTION. **453F.3 Administration — rules — intent.**

1. The director shall administer this chapter. The director shall collect, supervise, and enforce the collection of all civil penalties imposed under this chapter.

2. The director may adopt rules pursuant to chapter 17A that are necessary to enforce this chapter.

3. The director may designate employees to administer and enforce the provisions of this chapter. In the enforcement, the director may request aid from the attorney general, the special agents of the state, any county attorney, or any peace officer. The director may appoint clerks and additional help as may be needed to administer this chapter.

4. This chapter shall not be construed to limit the application of other state laws and regulations governing cigars.

5. The director shall prescribe the forms necessary for the efficient administration of this chapter and may require uniform books and records to be used and kept by each cigar bar or other person as deemed necessary.

Sec. 7. NEW SECTION. **453F.4 Permits — suspension — revocation — penalties.**

1. The provisions of chapter 453A, including the permit suspension and revocation provisions and the civil penalties established in section 453A.22, shall apply to tobacco retailers who are also cigar bars. The provisions of chapter

453A applicable to persons who violate chapter 453A shall also apply to persons who violate this chapter.

2. In addition to any other applicable penalties, a cigar bar who violates this chapter shall be subject to the following penalties if incurred within a twelve-month rolling period:

a. For a first violation, a civil penalty not to exceed one thousand dollars.

b. For a second violation, a civil penalty not to exceed two thousand dollars.

c. For a third violation, a civil penalty not to exceed five thousand dollars.

Sec. 8. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.